

MURFREESBORO CHANNEL 3 ISSUES SURVEY

Final Report

- June, 2003 -

Prepared for:



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I. BACKGROUND AND METHODOLOGY

In order to measure customer awareness and attitudes toward Murfreesboro Channel 3, The City of Murfreesboro commissioned Talmey-Drake Research & Strategy, Inc., a public opinion and market research firm in Boulder, Colorado, to conduct a telephone survey among cable television customers living in Murfreesboro, Tennessee.

The results of the survey are based on 300 random telephone interviews conducted between May 18 and May 22, 2003. Comcast provided Talmey-Drake with a list of the telephone numbers of all active cable customers living in Murfreesboro, which was then randomly sampled. Quotas were established to obtain roughly equal representation of men and women. A random sample of 300 has a worst-case 95% confidence interval of plus or minus 5.7% about any one reported percentage.



II. KEY FINDINGS

A. Channel 3 Awareness and Viewing

1. *Satisfaction with cable TV service in Murfreesboro is high: 85% say they are either very (37%) or somewhat (48%) satisfied with the overall quality of the cable service they receive.*
2. *Channel 3 is clearly an important channel to Murfreesboro cable customers: It ranks just below CNN in importance, but above such notable channels as A & E, Animal Planet and C-SPAN.*
3. *Channel 3 viewership stands at 53% of cable customers tuning in at least once a week, well above viewing levels for C-SPAN, but also well below levels for CNN.*
4. *Awareness of Channel 3 is extremely high -- 96% among all Murfreesboro cable customers.*
5. *A substantial 74% of cable customers, or approximately 15,500 Murfreesboro households, tune into Channel 3 at some point each month.*
6. *The typical Channel 3 viewer : He or she is much more likely to follow politics, be a registered voter, own their own home, have a college degree, be in the 35 to 54 year age group, and have an income of \$75,000 or higher.*
7. *A strong need exists among viewers for a way to find out what is showing on Channel 3, and when. The current guide reaches only one-third of viewers; most other guides are insufficient, if they list Channel 3 at all.*



B. Programming Evaluations

1. *Both viewers and non-viewers like the City Council meetings and the traffic cameras that can be found on Channel 3. Additionally, viewers like coverage of school programs and other city public meetings.*
2. *While more than one-third of home Internet users have visited www.ci.murfreesboro.tn.us, only 18% of these are aware that Channel 3's program guide can be found on the website (a mere 4% of all cable customers).*
3. *Live webstreaming of channel 3 is not very appealing to most customers; with only 20% of Internet users saying they would "definitely" or "probably" use such a service. Nearly half say they would "probably not" use it.*

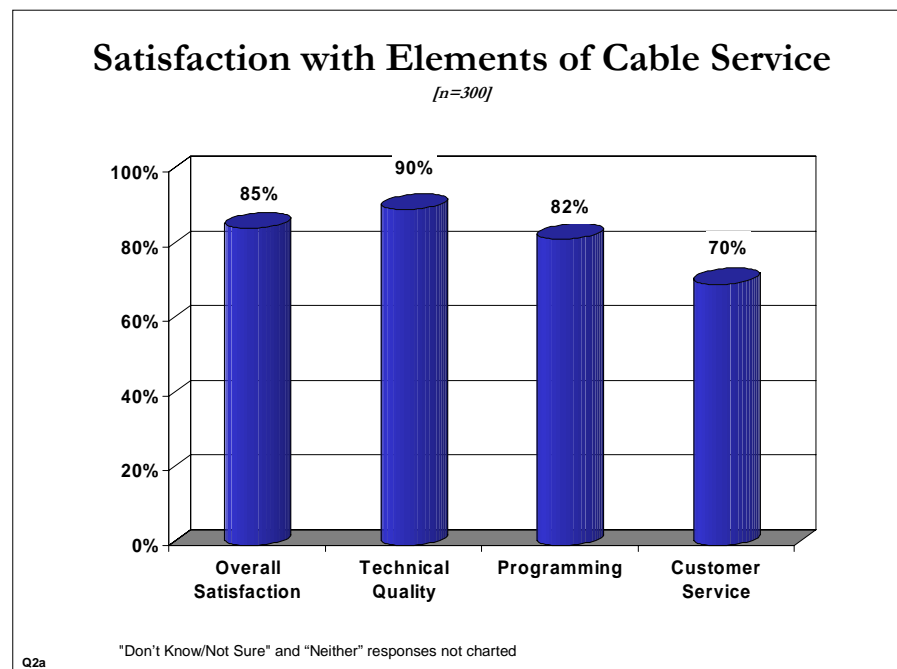


III. PERCEPTIONS OF CABLE TV

A. Satisfaction with elements of Cable Service.

In today's competitive environment, perhaps no rating is more important to a cable operator than the percentage of *satisfied* customers it has. Dissatisfied customers no longer have to endure poor performance or excessive rate increases by a cable operator: They can switch to an increasingly comparable DBS system, now offering local channels and whole house service. That being said, how does Comcast do on its customer satisfaction rating?

Satisfaction with cable TV in Murfreesboro is high. Overall 85% of customers say they are either *very* (37%) or *somewhat* (48%) satisfied with the cable service they receive. When it comes to specific attributes of cable TV, customers are most satisfied with the technical quality (90%), followed by programming (82%) and customer service (70%).



B. Rates.

Over the past decade and more, the issue of rates has been the Achilles heel of the cable industry. And judging by recent rumblings in Congress there is little sign at all that concerns about rates will go away anytime soon. Given the sensitivity to cable rates across the country, it would be surprising to find that customers in Murfreesboro are not concerned about the amount they pay each month for their cable service.

Like other areas around the country, rates are on the minds of cable customers in Murfreesboro. While a majority of customers (51%) feel the rates they pay are *high but acceptable* (35%) or *about what you would expect* (16%), a significant number of customers (48%) feel they are *way too high*.

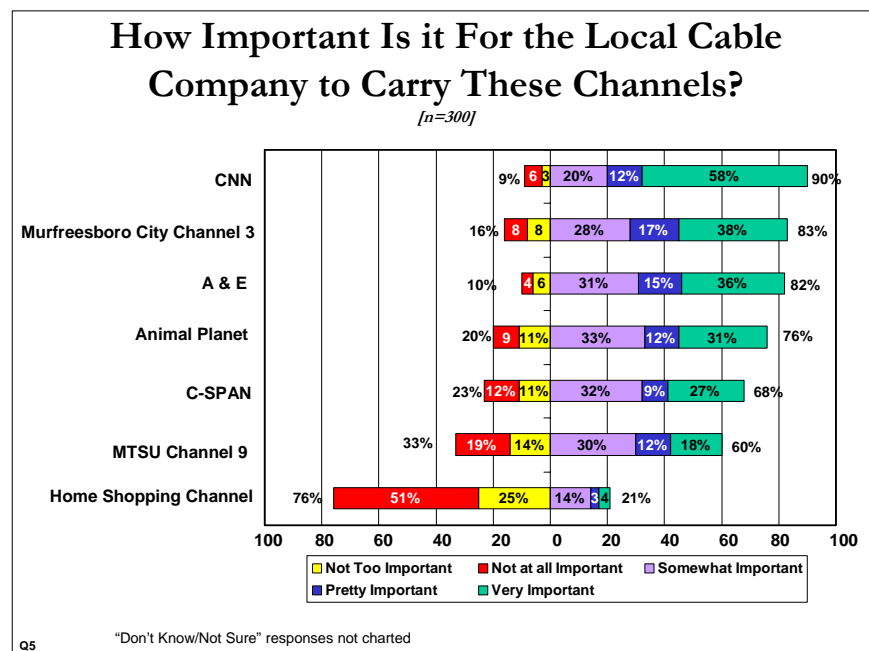


IV. CHANNEL 3 AWARENESS AND VIEWING

The concept of access channels, whether educational or government, is widely known to Murfreesboro cable customers, as nearly all (96%) are aware of the existence of Channel 3 on their local cable dial. Further, when asked what access channels they could name, without assistance from the interviewer, a healthy 59% of cable viewers mentioned Channel 3 ten times more frequently than any of the other access channels. The next most frequently mentioned channel is Channel 10 (14%), followed by Channel 9 (5%), both of which are MTSU Educational Access channels.

A. Importance of Channel 3 To The Community

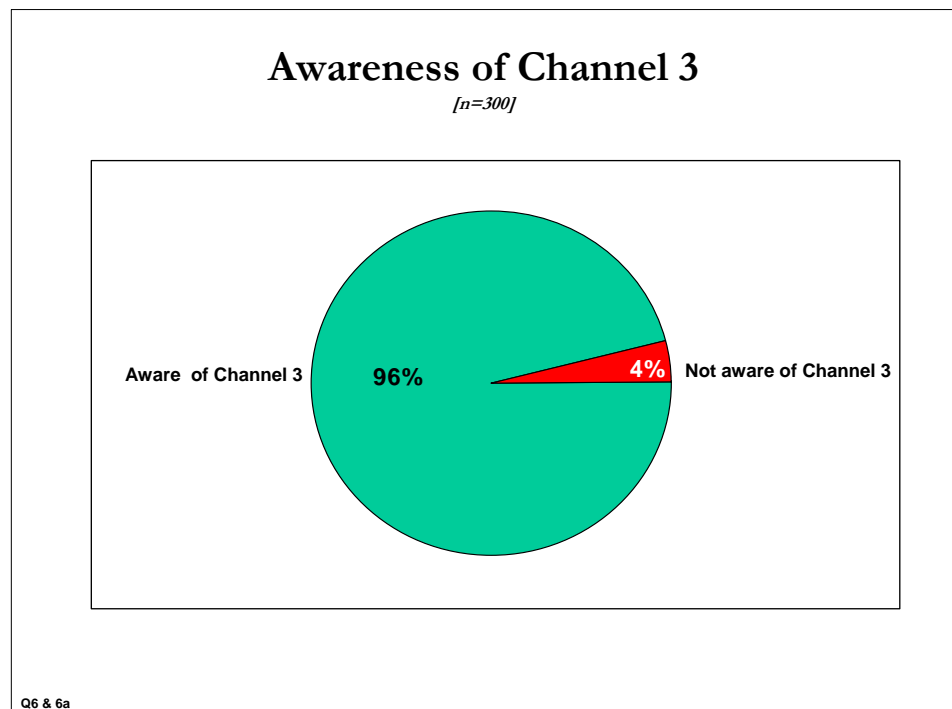
Viewers assign to Channel 3 a high degree of importance in the community. Nearly four in ten (38%) Murfreesboro cable customers consider Channel 3 to be *very* important, trailing only CNN (58%) in terms of *very* importance scores. The Channel 3 importance rating is similar to the popular A&E channel (36% *very* important), and ahead of other mainstream basic cable networks such as Animal Planet, C-SPAN, and the Home Shopping Network. Eighteen percent (18%) of cable customers feel that it is *very* important to have availability to MTSU Channel 9.



B. Channel 3 Awareness and Viewership

1. Awareness of Channel 3

Being aware of a channel is not the same as viewing a channel: Just because someone is aware of a channel does not mean that they watch it. However, awareness is a good measure of just how strong the branding of a channel has become. If people are not aware of a particular channel, then a much bigger step is required before that channel can get people to tune into their programming. Fortunately for Channel 3, awareness¹ of the channel is extremely high (96% total awareness).



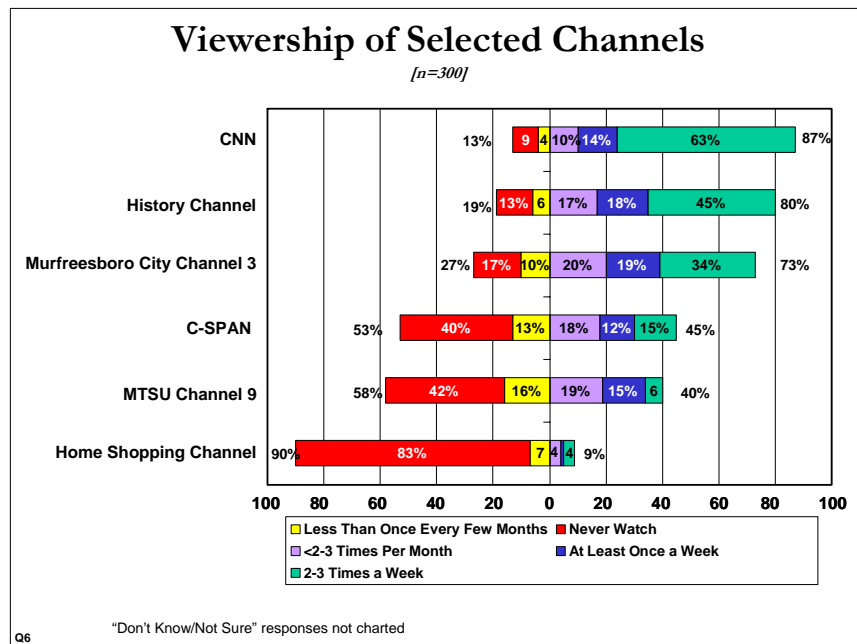
¹ Awareness of Channel 3 is measured by the people who say they watch Channel 3 in Q6, plus those in Q6a who say that although they never watch it, they are aware of it.



2. Viewership: A Channel Comparison

To help gauge viewership levels for Channel 3, as well as put Channel 3's numbers in some perspective, respondents were asked how often they watched a selection of six different cable channels. Among these channels is a traditionally high viewership channel (CNN), a solidly popular channel (History Channel), as well as a traditionally low viewership channel (Home Shopping Channel). A third (34%) of Murfreesboro cable customers say they watch Channel 3 two or three times a week or more, with another 19% saying they watch it at least once a week. One-fifth (20%) say they watch two or three times a month or less, with another 10% saying they rarely watch the channel.

This 74%² of cable customers who are watching Channel 3 translates into more than 15,500³ cable customers who tune to Channel 3 each month. While viewership of Channel 3 does not match the 87% level enjoyed by CNN, incredibly it is approaching the viewership level of The History Channel.



² When respondents who said they *never* watch Channel 3 were asked if others in their household did watch it, 1% said yes, there were people in their household who watch Channel 3. The 74% figure includes this 1%.

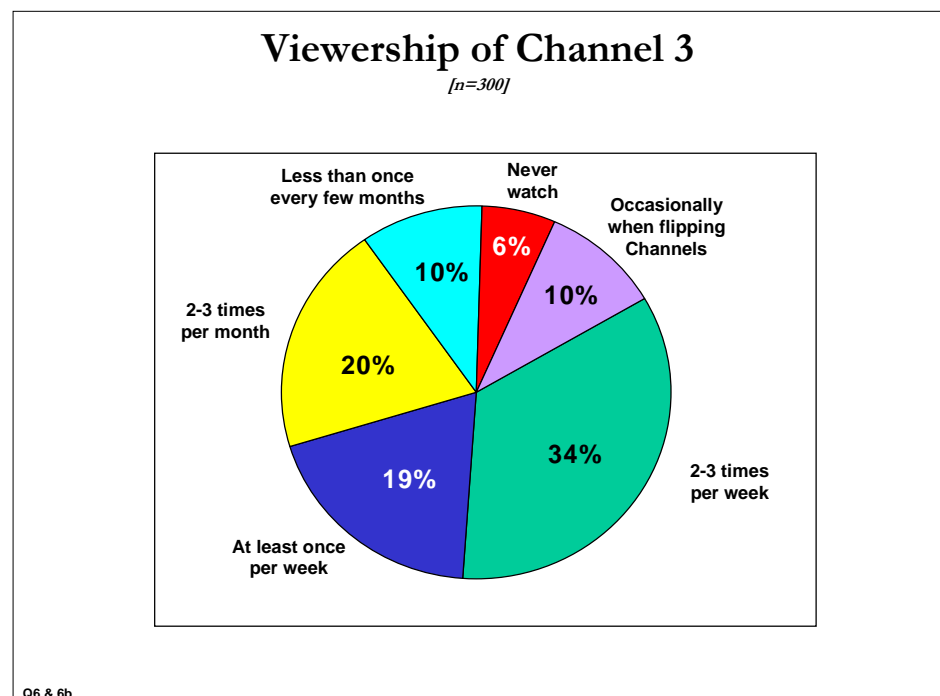
³ This figure is computed as follows: There are approximately 21,000 cable households in Murfreesboro. 21,000 times 74% = 15,540.



One in six (17%) cable customers claim to have never watched Channel 3. However, this is highly impacted by their length of cable TV subscription. During the first year of subscription, nearly one-third (31%) of cable customers say they never watch Channel 3. However, of customers who have subscribed to cable TV for one year or more, the percentage of Channel 3 "never" viewers decreases to only 12%. Therefore the probability of exposure to Channel 3, even if by random chance while flipping through channels, increases dramatically with length of time as a cable customer.

Similarly, regular viewing frequency increases with the length of cable subscription. The incidence of regular (2 to 3 times a week) Channel 3 viewing increases from 24% for subscribers of less than one year, to 36% viewership for customers of one or more years.

As seen in the graph on page seven, 17% of cable customers claim to have never watched Channel 3. Among those, however, more than three-fourths (78%) of them are at least aware that Channel 3 shows programming related to the City of Murfreesboro. Additionally, when probed a bit further, 60% of the initial "nevers" do admit to actually watching Channel 3 occasionally when flipping through their channels. This reduces the proportion of customers who truly have never watched Channel 3 to only 6%.

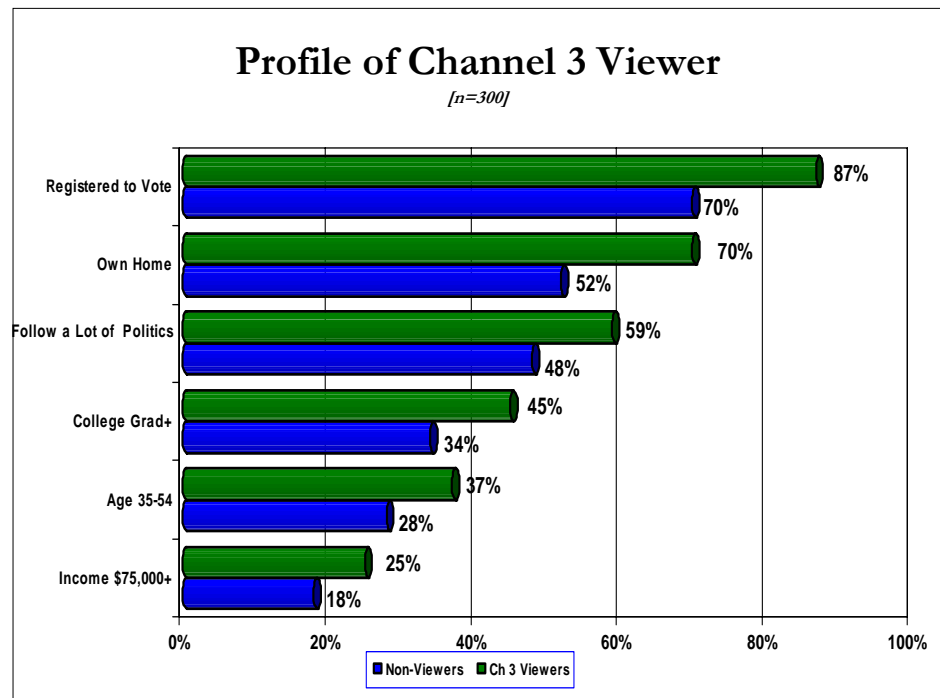


3. *Profile of the Channel 3 Viewer.*

When do viewers watch? Most viewers who tune into Channel 3 do so on weekdays (83%), compared to just 10% who say they are sitting in front of their TV's on the weekend. And almost two-thirds (62%) do their watching in the evening, with 20% watching during the afternoon, and another 18% viewing in the morning hours.

Who is the Channel 3 viewer? The demographic make-up of the typical Channel 3 viewer is impressive, and desirable. The typical Channel 3 viewer, compared to the non-viewer, is much more likely to be a registered voter, own their own home, follow politics all or most of the time, have a college degree, age be in the 35 to 54 year age group, and have an income of \$75,000 or higher.

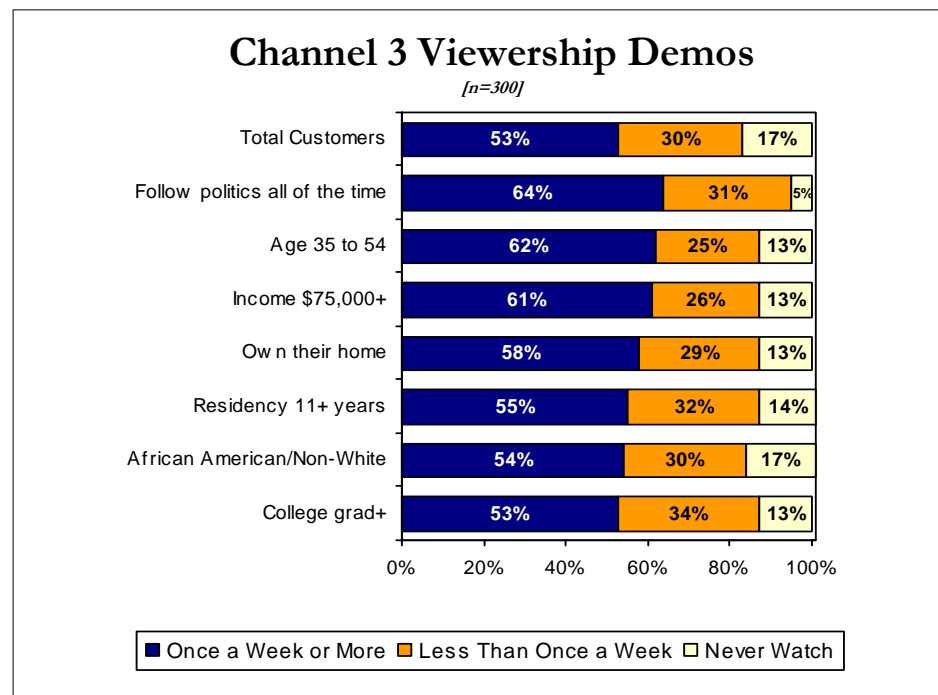
While an average of 48% of non-viewers say they follow politics all or most of the time, a substantial 59% of Channel 3 viewers profess to being some degree of political junkies. The channel clearly has found its niche among those who want or need to be informed about what is going on around them.



4. *Profile of Most Frequent Channel 3 Viewers.*

As seen below, 53% of cable viewers say they watch programming on Channel 3 at least once a week. So who, exactly, are these frequent viewers? First and foremost, they pretty much mirror the profile of the typical Channel 3 viewer: They are the customers who follow politics all of the time. Additionally, customers who are age 35 to 54, have incomes of \$75,000 or more, own their own home, and have lived in the area for 11 or more years are more likely to watch Channel 3 at least once a week.

The graph below illustrates which demographic segments tune into Channel 3 in the greatest numbers.



5. Why the Non-Viewers?

Non-viewers, who make up just 17% of all cable customers, are somewhat vague on why they do not watch Channel 3, suggesting perhaps that they have never engaged themselves in the programming enough to know if they would like it or not. Just over one-third (38%) of non-viewers say they have no particular reason for not watching, while another third (36%) say that the channel “is not interesting to me.” Below are a few comments from cable customers as to why they seldom, if ever, watch Channel 3:

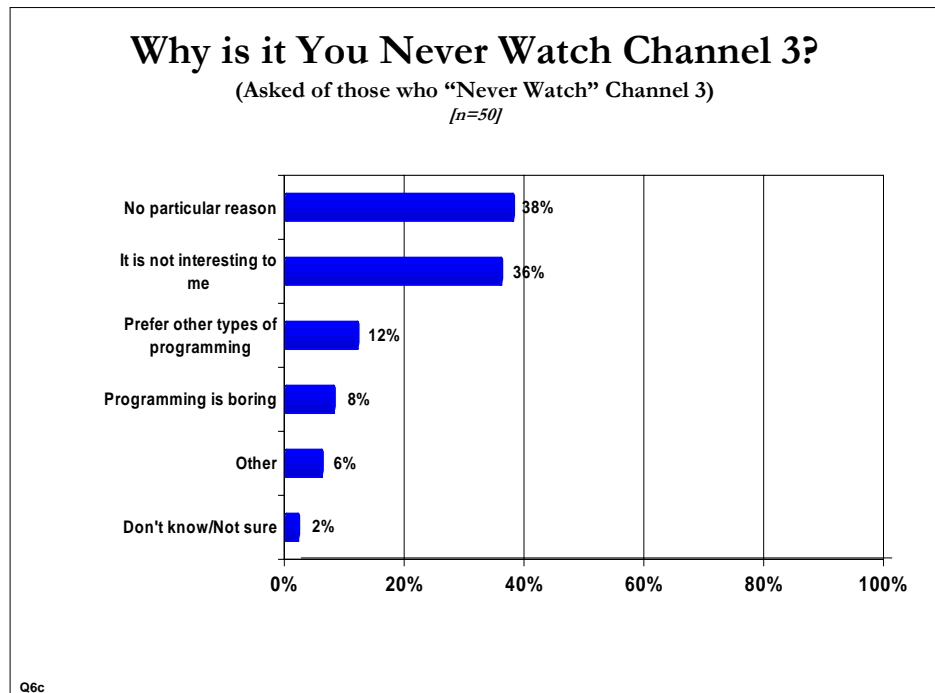
“Nothing on Channel 3 interests me.”

“There is nothing there that interests me.”

“It just doesn't appeal to me.”

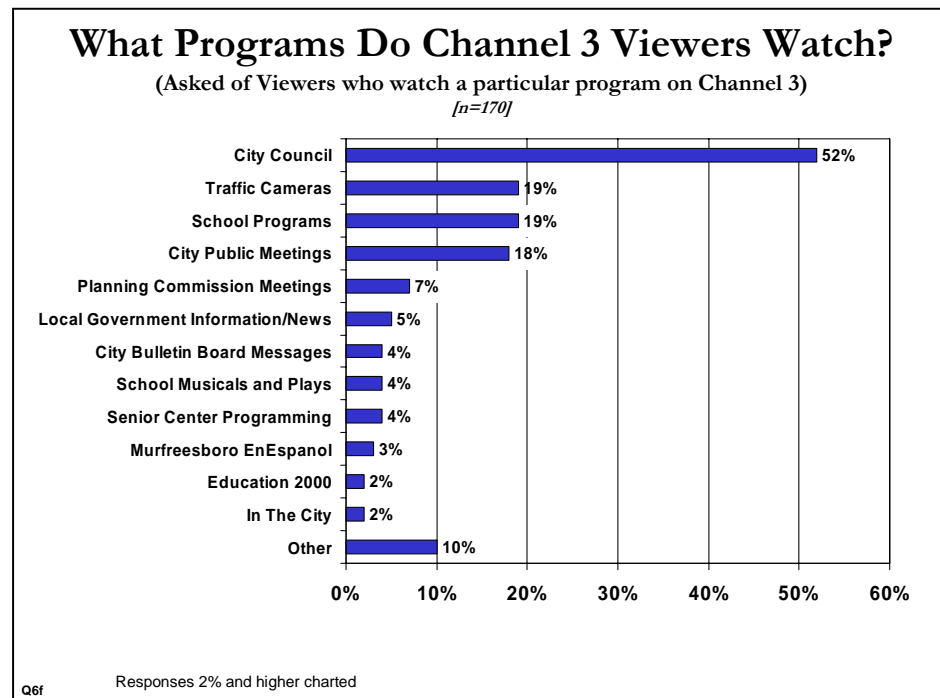
“The channel shows nothing of importance.”

“It is just boring.”



C. Channel 3 Programming Watched

When Channel 3 viewers were asked what in particular they watch on Channel 3, “*City Council meetings*” is the overwhelming response (52%), followed more distantly by “*traffic cameras*” (19%), “*school programs*” (19%), and “*city public meetings*” (18%). All other programs are viewed regularly by 7% or fewer viewers.



D. Finding Out What Is On Channel 3

Being able to easily find out what is showing on Channel 3 and when, will no doubt positively affect the value of the channel to its viewers. Conversely, if cable customers have difficulty finding out what is showing and when, this will no doubt negatively affect the perceived value of the channel. So the question is, how do people find out what is showing on Channel 3?

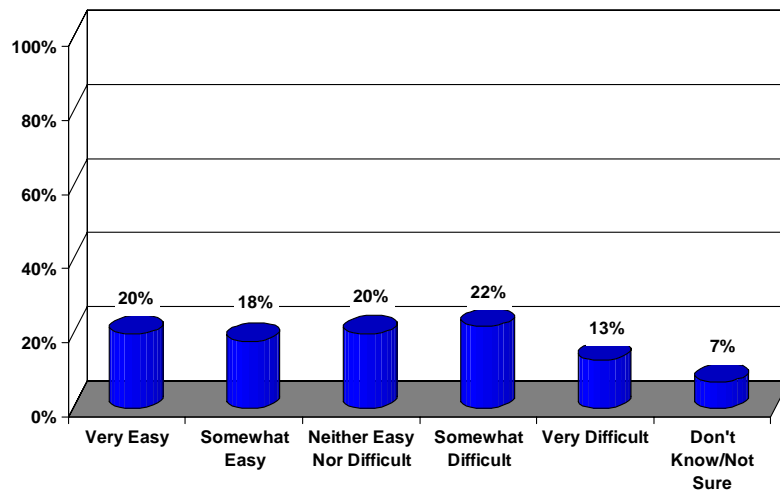
Two-thirds (65%) of Channel 3's viewers tune in without planning to -- they are simply "*flipping through their channels*" when they happen upon something of greater interest on Channel 3 than elsewhere. Conversely, only about a quarter (27%) of viewers say they tune in to watch a "*particular program*" that they've heard about.

For those customers who search for Channel 3 programming information, finding out what is showing on Channel 3 is not an easy proposition. Only 20% of Channel 3 viewers say it is *very* easy to find out what is showing, while more than a third (35%) say it is either *very* or *somewhat* difficult.

How Easy or Difficult is it to Find Out What is Showing on Channel 3?

(Asked of Viewers of Channel 3)

[n=250]



Q6j



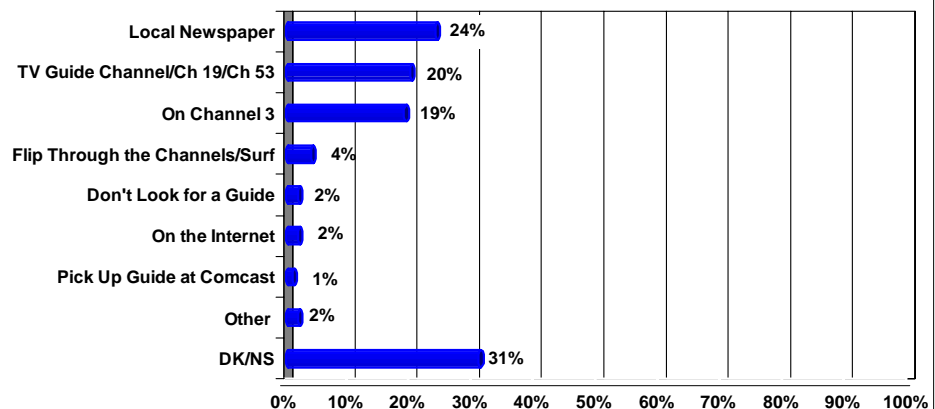
Perhaps because there is a Channel 3 channel guide available on the City's website, viewers who have visited the City of Murfreesboro's website are much more likely to watch Channel 3 as compared to those who have not visited the site. Forty-six percent (46%) of those who have visited the website say they watch Channel 3 on a regular basis (2-3 times a week), compared to only 28% regular viewership among those who have not visited the site.

One-quarter (24%) of viewers say they already know when Channel 3 will show the programs they want to watch, but a larger 34% of viewers use a programming guide of some sort. Viewers claim to use a variety of electronic and print guides to find out what Channel 3 is showing at a specific time, with viewers most frequently mentioning "*newspapers*" (24%), "*the TV Guide Channel*" (20%), and "*on Channel 3*" (19%) as sources used for finding programming information.

Where Can You Find a Channel 3 Program Guide?

(Asked of Viewers of Channel 3)

[n=250]



Q6I

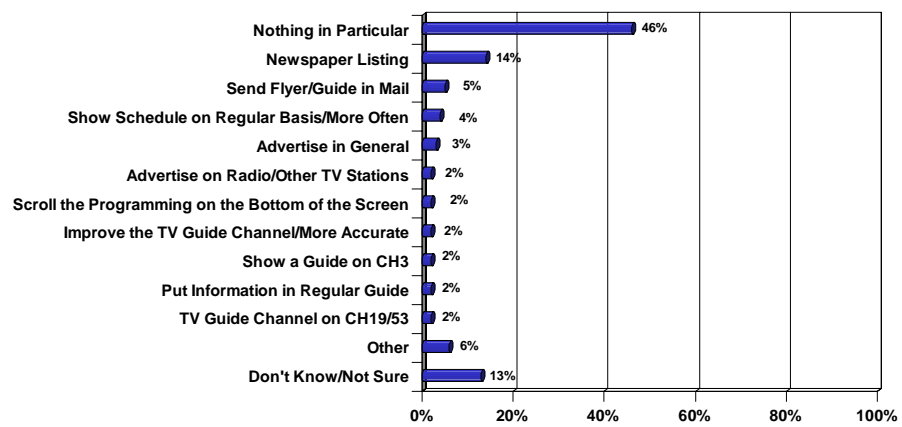


When viewers are asked what would make programming easier to find on Channel 3, most are of little or no help, with nearly half (46%) of viewers saying “*nothing in particular.*”

What Would Make Programming Easier to Find?

(Asked of Viewers of Channel 3)

[n=250]



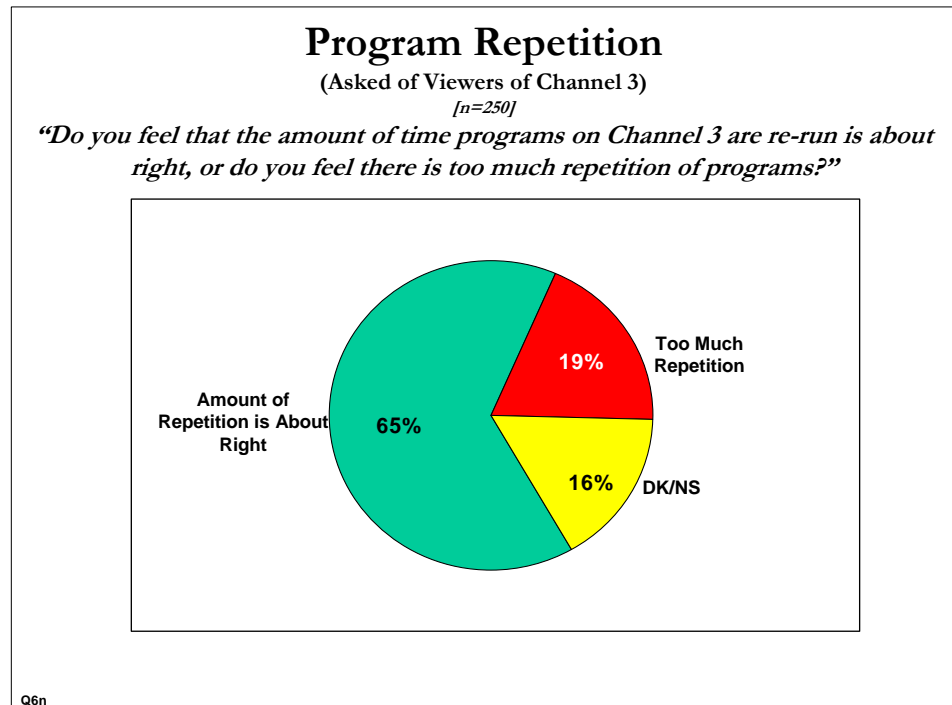
Q6m

Responses 2% and above shown



E. Program Repetition

Repetitive programming is not perceived to be a serious problem for Channel 3: Only 19% feel programs are repeated too often, with another 16% expressing no opinion. That leaves a clear majority (65%) who believe the amount of repeats as just about right.



Rather unexpectedly, it is the heavier viewers (once a week or more) who are much more likely than lighter ones to think the amount of repetition is just right. Apparently heavier viewers are most appreciative of the chance to see programs in a choice of time slots. This probably allows them to see what they want on a regular basis, without having to tune in every day.

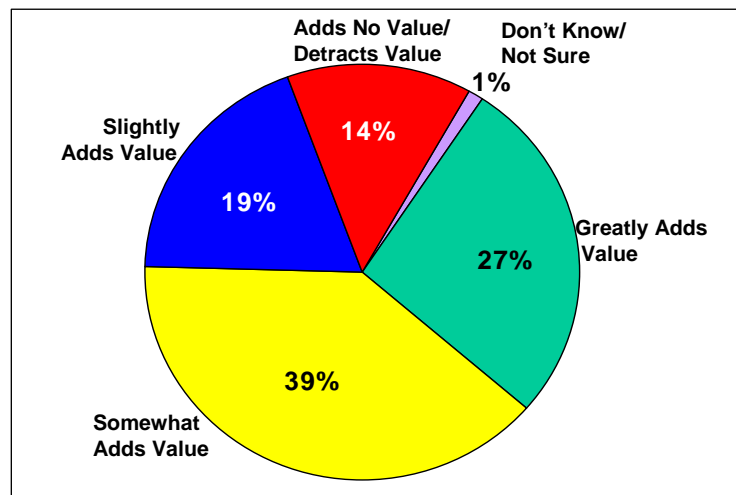


F. Perceived Value of Channel 3

Channel 3 receives very good ratings for contributing to the overall value of cable TV service among cable customers. Two-thirds (66%) of total customers say it adds greatly or somewhat to the value they get out of cable.

Channel 3's Addition to Cable Value

[n=300]



Q9



V. PROGRAMMING EVALUATIONS

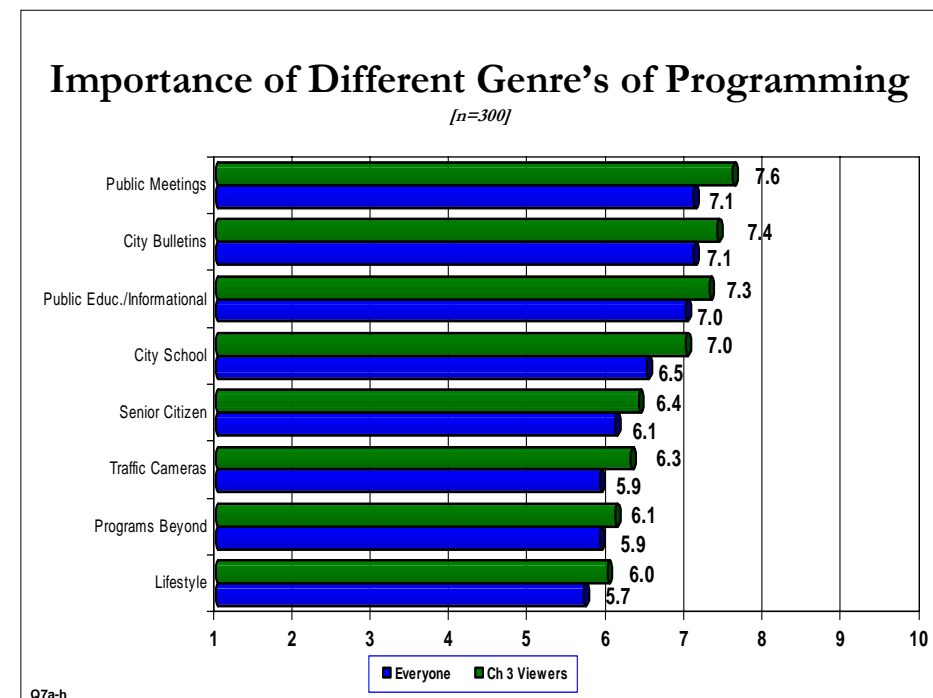
A. Current Channel 3 Programming

1. Programming Genres.

All cable customers in the survey, including Channel 3 viewers and non-viewers, were asked to rate eight broad categories of programming content on importance for Channel 3 to continue airing. Ratings are mean scores on a scale of 0 to 10, where the lower the number, the more in favor respondents are of Channel 3 dropping the category, and the higher the number, the more they feel Channel 3 should continue airing that category.

Public meetings, city bulletins, public education/informational programming and city school coverage appear to be the bread and butter favorites of Channel 3 viewers. These categories are followed fairly closely by coverage of senior citizen programming, traffic cameras, programs beyond Murfreesboro, and lifestyle programs.

As one might expect, current Channel 3 viewers rate all programming categories higher in importance than do non-viewers, but not by much. The average difference between viewers and non-viewers is about one and half points on a zero to ten scale across all eight measures.

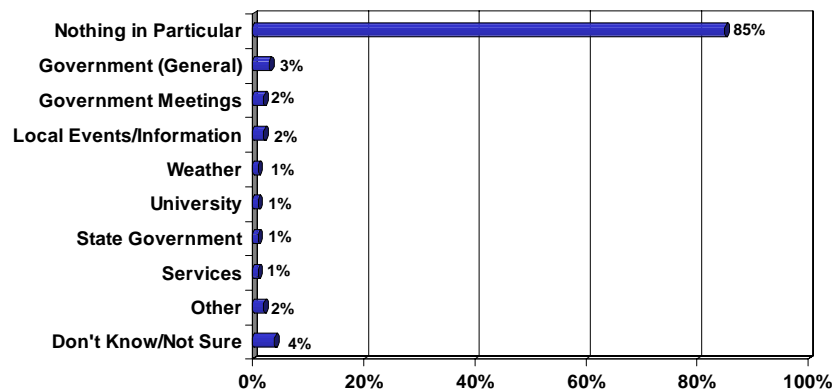


2. *Government Programming*

Most customers are unable to provide any type of suggestion when asked if there are “any government related programs they would like shown on Channel 3 in the future.” The handful who did provide some feedback say they would like to see general government programming, government meetings, and information about local events.

What Type of Government Related Programming Should Channel 3 Add?

[n=300]

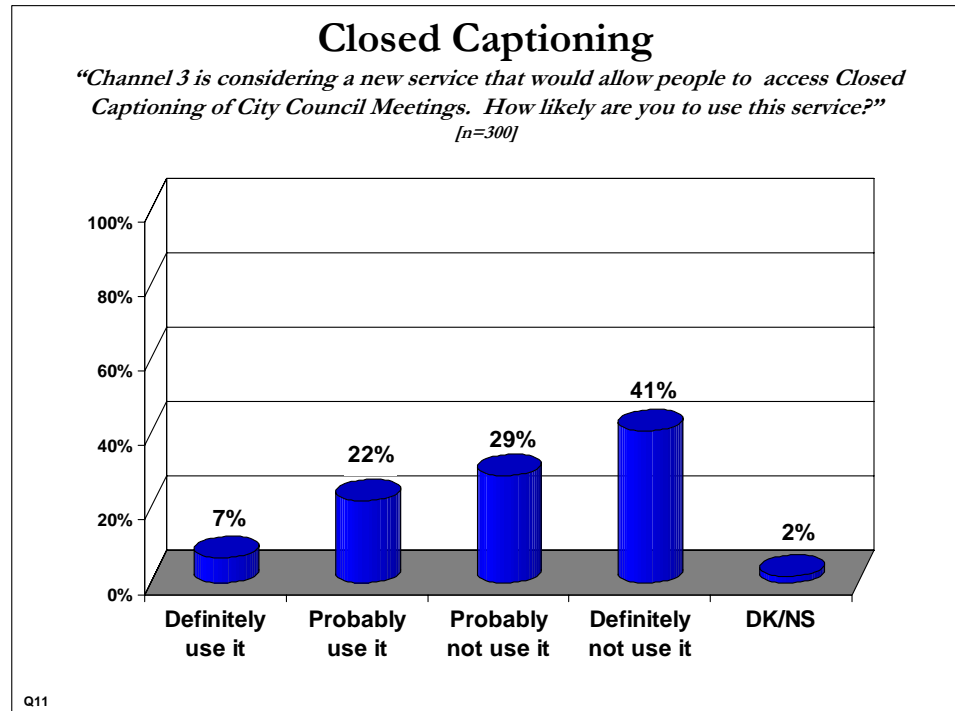


Q8



B. Closed Captioning of City Council Meetings

Channel 3 is considering the option of close-captioning some of their programming, which means that as people speak (for example, at public meetings that are televised on Channel 3), what they say could be immediately transcribed and appear as text at the bottom of the screen. The question is, who would use it? Almost 30% customers say they would use closed captioning of City Council meetings if the service was available (7% say they would *definitely* use it, 22% say they would *probably* use the service). Seven in ten say they would not.



One could argue that 30% is not a terribly high figure to justify the expenditure it would take to offer this service, but then many of these folks are likely hearing impaired who would greatly benefit from the availability of closed captioning.

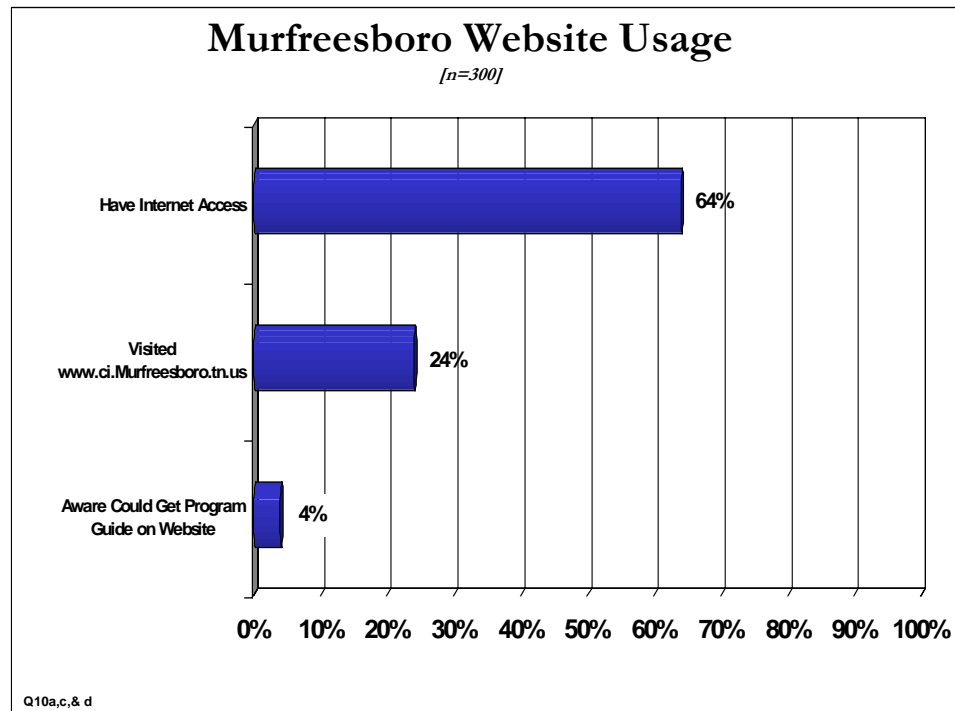


VI. INTERNET AND CHANNEL 3

When compared to the national average, cable customers in the City of Murfreesboro are considerably less connected than are cable customers nationally. Just two-thirds (64%) of Murfreesboro customers say they have Internet access in their homes, compared to 87% of cable customers across the country.⁴

A. Current Site Usage

The good news is that 24% of Murfreesboro cable customers have visited the main Murfreesboro government page, www.ci.murfreesboro.tn.us. The bad news is that of those who have visited the website, less than one in five (18%) are aware that Channel 3's program guide can be found on Murfreesboro's website (only 4% of all cable customers).



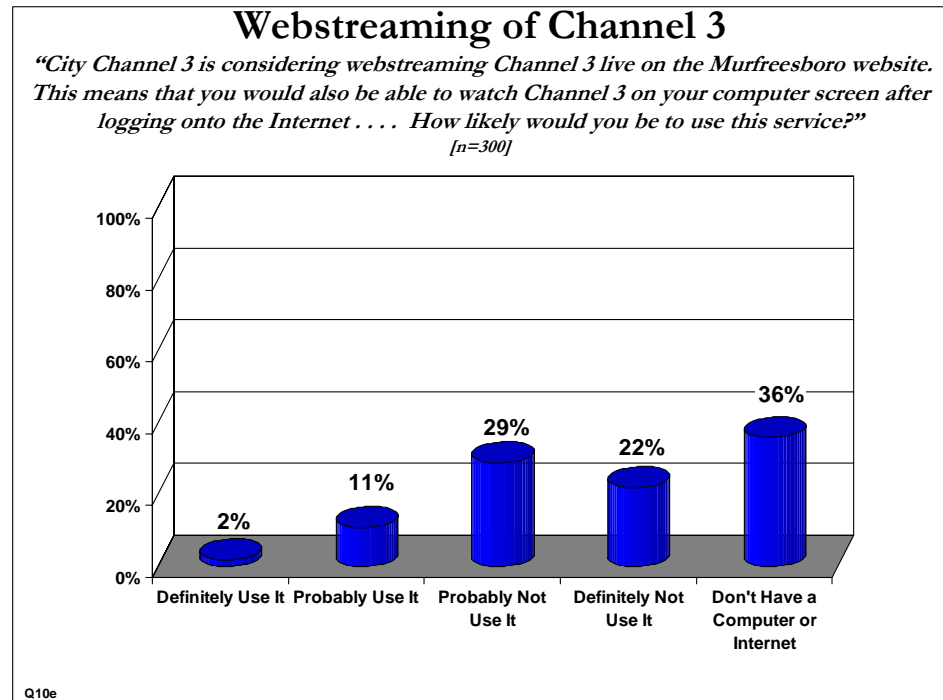
⁴ Internet penetration figure is from the 2003 Annual CableWorld Survey, conducted by Talmey-Drake Research & Strategy, Inc., for CableWorld magazine in May, 2003.



B. Webstreaming of Channel 3 Live

Internet users were also asked if they would be interested in a new service where they would be able to watch Channel 3 on their computer screen after logging onto the Internet.

The concept of webstreaming Channel 3 receives only a modest level of interest, with 20% of Internet users (which amounts to 13% of all cable TV customers) expressing some level of interest. Channel 3 viewers and those who follow politics are the most interested, with a third of heavy viewers (those who watch Channel 3 two to three times a week) also saying they would *definitely* or *probably* use the service.



VII. CONCLUSIONS AND RECOMMENDATIONS

1. Murfreesboro Channel 3 is well-established among cable customers as a premier access channel, with good channel position, enviable viewer demographics, high unaided awareness, viewership approaching that of The History Channel, and reasonably good marks for perceived importance and value, even among non-viewers. It's flagship programming is clearly Murfreesboro City Council coverage.
2. Yet in spite of the above, viewership could and should be better, if Channel 3 could do a better job of letting people know what is showing and when.
3. Funding for city services throughout Tennessee and the nation are tight as a result of reduced revenues during the current economic downturn. Therefore it is now more important than ever to carefully target one's available resources. Channel 3 will get far greater bang for its buck if it focuses on promoting both the existing programming choices currently being shown on Channel 3, and how to make it easier for cable customers to find out when and where this programming is being shown, than if it were to focus time and resources on developing new programming opportunities.
4. For Channel 3 to improve its service to viewers, and thus create additional value, one place to start would be to promote access to its program schedule on www.ci.murfreesboro.tn.us. This is necessary because a fairly large proportion of present viewers find it difficult to find out what is on Channel 3, and relatively few have a reliable source of this information. While a quarter of all customers have visited the City of Murfreesboro's website, only a handful of these are aware of the online program listing on the site. There is a strong correlation that exists between visiting the Murfreesboro government web site and increased Channel 3 viewership. There would appear to be great potential for increasing viewing through use of the website, which is extremely underutilized at this time.



5. Another means to make programming information available to viewers of Channel 3 might be to improve on the monthly e-mail that distributes a programming guide to customers who sign up for the service. Channel 3 might want to test this idea by mailing a postcard to customers in a high income, high education area (try it out in several precincts) where there tend to be a higher percentage of people follow politics and public affairs. This mailing would instruct customers that they can sign up for the monthly email by logging onto the Murfreesboro website, or by supplying their email address on the postcard and returning it. A second mailing might go out to a lower income, lesser educated area inviting them to get a program guide by e-mail. A third mailing might be sent to senior areas, stressing the Senior Programming available on Channel 3. Such test mailings could be limited in scope and you could eliminate or expand the test depending on the results.
6. Another possible way (currently under consideration by Channel 3) to let people know what is showing and when, are cross-promotional or informational spots run on local cable avails. This would obviously involve Comcast as the local cable company, but could certainly be employed to pique the interest and curiosity about shows that Channel 3 wishes to highlight.
7. We know from focus groups conducted throughout the country that the term “access programming” is not only non-descriptive, but also carries baggage from back in the early days of cable TV, when it was filled with character generated messages and poor quality video. Given this history, whenever possible, refrain from using the term “access channels”, if you have not already done so, replacing it instead with something like “community-based channels.”



8. The new concept relating to the ability of webstreaming channel 3 live received only a luke warm reception. Nearly half (46%) of internet users (29% of all customers) say they “probably would not use” the service if it were available. As the concept was tested just among the general public; there might be more of a following for such a concept among city employees who may want to easily review actions that might directly affect them or the departments they serve. This product may also find a niche among private sector builders, contractors, and consultants, among others, whose livelihood involves interaction with various aspects of City and County government. However, it will be critical to promote this service if it is to be successful even among any of these segments.



APPENDIX A:
Percentage Results



